

STATE OF MICHIGAN  
DEPARTMENT OF LABOR & ECONOMIC GROWTH  
OFFICE OF FINANCIAL AND INSURANCE SERVICES

Before the Commissioner of the Office of Financial and Insurance Services

In the matter of:

Signator Investors, Inc.

Enforcement Case No. 06-4279

Laurence V. Plummer, Sr.

Respondents

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*Issued and entered*  
on December 4, 2006  
by Richard D. Lavolette  
Chief Deputy Commissioner

**ORDER TO CEASE AND DESIST**

The Office of Financial and Insurance Services of the Michigan Department of Labor and Economic Growth, pursuant to the Michigan Administrative Procedures Act of 1969, MCL 24.201 *et. seq.*, ("MAPA") and the Michigan Uniform Securities Act, as amended, MCL 451.501 *et. seq.*, ("Act"), and the rules promulgated under the Act, say that:

**FINDINGS OF FACT AND CONCLUSIONS OF LAW**

The staff of the Office of Financial and Insurance Services ("OFIS") alleges that the following facts are true and correct:

1. At all pertinent times, Signator Investors, Inc, ("Signator") was and is a company located in the State of Tennessee. Signator's parent company is John Hancock Financial Network.
2. At all pertinent times, Laurence V. Plummer ("Plummer") was a registered Tennessee agent employed by Signator since 1990. Plummer is a resident of the State of Tennessee.

COUNT I

3. In June of 2000, Respondent Plummer met [REDACTED], a Michigan resident in [REDACTED], Michigan, at an investing seminar.
4. On or about June 28, 2000, Respondent Plummer and [REDACTED] completed a Signator Client Profile.
5. On or about July 8, 2000, Plummer received and accepted a check from [REDACTED] for \$50,000.00 to be invested in John Hancock Mutual Funds.
6. On July 19, 2000, an application for mutual funds was signed and dated by both Plummer and [REDACTED].
7. Plummer held [REDACTED] check until August 30, 2000, at which time he forwarded the check to John Hancock Mutual Funds.
8. As a result of the delay, Signator subsequently processed an adjustment to reflect a trade date of July 12, 2000 to make the client "whole."
9. On August 30, 2000, [REDACTED] sent another check in the amount of \$70,000.00 to Plummer for additional investments in John Hancock Mutual Funds. Respondent Plummer completed this transaction on September 6, 2000.
10. The \$120,000.00 investment by [REDACTED] in July and August of 2000 occurred before Plummer was licensed to act as a securities agent in Michigan.
11. Respondent Plummer became a registered agent in Michigan on September 15, 2000.
12. Plummer conducted business as an agent in Michigan through Signator before his registration in Michigan.
13. Respondent Plummer knew or had reason to know that Section 201(a) of the Act, MCL 451.601(a) prohibits a person from transacting business as a securities agent unless registered under the Act. Section 401(c) of the Act, MCL 451.801(c) defines an agent as any individual other than a broker-dealer who represents a broker-dealer or issuer in effecting or attempting to effect purchases or sales of securities.
14. Respondent Signator knew or had reason to know that Section 201(b) of the Act, MCL 451.601(b) provides that a broker-dealer shall not employ an agent unless the agent is registered under the Act.
15. Respondent Signator knew or had reason to know that Section 201(b) of the Act, MCL 451.601(b) provides that a broker-dealer shall immediately notify the Commissioner when an agent begins activities that make him or her an agent.



16. Respondent Plummer conducted business as an unregistered Michigan agent from approximately June 28, 2000 to September 14, 2000, which is in violation of Section 201(a) of the Act, MCL 451.601(a).
17. Respondent Signator employed an unregistered agent and failed to notify the administrator immediately when Plummer began activities that made him an agent in violation of Section 201(b) of the Act, MCL 451.601(b).

## COUNT II

18. Respondent Signator knew or had reason to know that Section 203(a) of the Act, MCL 451.603(a) requires every broker-dealer and investment advisor to make and keep accounts, correspondence, memoranda, papers, books, and other records as the administrator by rule or order prescribes.
19. One such record every registered broker-dealer is obligated to make and keep is a blotter, which must be kept for not less than six (6) years pursuant to Rule 603.1, R451.603.1.
20. On March 21, 2006, OFIS requested blotter information from Signator concerning records of checks received from
21. Respondent Signator responded to the request for information on April 21, 2006, stating that they were unable to produce records concerning receipt of the checks from
22. Respondent Signator failed to maintain required books and records in violation of Section 203(a) of the Act, MCL 451.603(a) and Rule 603.1, R451.603.1.

WHEREAS, Section 201(a) of the Act, MCL 451.601(a) prohibits a person from transacting business as an agent unless registered under the Act; and

WHEREAS, Respondent Plummer transacted business as a securities agent within the State of Michigan from June 28, 2000 through September 14, 2000, but was not registered as such until September 15, 2000; and

WHEREAS, Section 201(b) of the Act, MCL 451.601(b) prohibits a broker-dealer from employing an agent unless the agent is registered and where the broker-dealer must immediately notify the administrator when an agent begins activities that make him an agent under the Act; and

WHEREAS, Respondent Signator employed an unregistered agent, and failed to immediately notify the administrator that the agent, Plummer, had begun activities in June that made him an agent; and

WHEREAS, Section 203(a) of the Act, MCL 451.603(a) requires every registered broker-dealer and investment adviser to make and keep accounts, correspondence, memoranda, papers, books, and other records as the administrator by rule or order under the Act; and

WHEREAS, Rule 603.1, R451.603.1 requires among other things that every registered broker-dealer is obligated to make and keep a blotter for client transactions; and

WHEREAS, Respondent Signator failed to make and keep current blotters and or other records of original entry concerning receipts of purchases and or sale of securities; and

WHEREAS, based on the foregoing, OFIS Staff recommends that the Commissioner find that Respondents are engaged in acts and practices that violate Section 201 and 203 of the Act, and Rule 603.1; and

WHEREAS, the Office of Financial and Insurance Services finds this Order necessary and appropriate in the public interest, for the protection of investors, and consistent with the purposes fairly intended by the policy and provisions of the Act.

**IT IS THEREFORE ORDERED**, pursuant to Section 408 of the Act, MCL 451.808 and Section 409 of the Act, MCL 451.809, that:

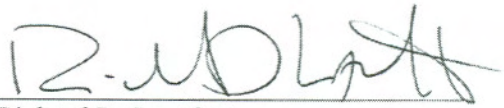
1. Respondents, Signator Investors, Inc., and Laurence V. Plummer, Sr., shall immediately **CEASE AND DESIST** from violating Section 201 and 203 of the Act, MCL 451.601 and 451.603 and Rule 603.1, R451.603.1.
2. Respondent Plummer shall pay a civil fine of One Thousand Five Hundred Dollars, (\$1,500.00) to the State of Michigan within 30-days of the entry of this Order.
3. Respondent Signator shall pay a civil fine of One Thousand Five Hundred Dollars, (\$1,500.00) to the State of Michigan within 30-days of the entry of this Order.
4. Failure to comply with this ORDER will subject you to one or more of the following:
  - (a) A civil penalty of not more than \$1,000 for each violation of this Act, but not to exceed a total of \$10,000.
  - (b) A criminal penalty of not more than \$25,000 for each violation, or imprisonment of not more than 10 years, or both.
5. You may file with the Administrator within 15 days after service of this Order a written request for a hearing. The Administrator, within 15 days after your filing, shall issue a notice of hearing and set a date for the hearing. Any request for a hearing should be addressed to: the Office of Financial and Insurance Services, Attention: Hearing Coordinator Dawn Kobus, P.O. Box 30220, Lansing, Michigan 48909.



6. If you do not request a hearing, or it is not ordered by the Administrator within 15 days, this Order will stand as entered and will be FINAL.
7. It is important to understand that any statements that you present in response to this Order may be used against you at a hearing. It is also important to understand that you have the right, at your own expense, to have an attorney assist you at a hearing.
8. Any other communication regarding this Order should be addressed to the Office of Financial and Insurance Services, Attention: William R. Peattie, P.O. Box 30220, Lansing, Michigan 48909-7720.

MICHIGAN DEPARTMENT OF  
LABOR & ECONOMIC GROWTH

Dated: 12-04-06

By:   
Richard D. Lavolette,  
Chief Deputy Commissioner  
Office of Financial and Insurance Services